

**NOTICE OF**  
**PREVENTION OF SIGNIFICANT DETERIORATION PERMIT**  
**APPLICATION AND DRAFT PERMIT**

The South Dakota Department of Environment and Natural Resources (DENR) received and reviewed the application for a Prevention of Significant Deterioration air quality permit for the following applicant:

APPLICANT NAME: Otter Tail Power Company  
FACILITY LOCATION: 48450 144<sup>th</sup> Street  
Big Stone City, South Dakota

Otter Tail Power Company owns and operates a coal fired power plant near Big Stone City, South Dakota, at the above address. Otter Tail Power Company submitted a Prevention of Significant Deterioration permit application to install a maximum 600 megawatt net output base load super critical pulverized coal fired power plant.

During April 2006, DENR public noticed the project for a new coal fired power plant. During the public notice, Otter Tail Power Company submitted revisions to the application that affected the initial review. Therefore, DENR extended the initial public notice until a review of the submitted changes was completed. In addition, during this time period, the Environmental Protection Agency (EPA) took direct final action approving the State Implementation Plan (SIP) of the State of South Dakota. This final action was published in the Federal Register on December 21, 2007, and became final on January 22, 2008. Otter Tail Power Company has elected to have its application processed under the State's approved SIP. DENR has determined that, in processing this application under its approved SIP, DENR will allow the extension regarding the initial public notice period to continue until close of the public notice period established in this Notice. All comments received during this extended time period will be considered by DENR. The public notice period will expire, and all comments on this permit application must be received, no later than the date set forth below.

The project increases the air emissions of particulate matter, volatile organic compounds and carbon monoxide. Otter Tail Power Company has accepted enforceable limits which maintain the nitrogen oxide and sulfur dioxide emissions at the current levels. As one component of the Prevention of Significant Deterioration permit program, Otter Tail Power Company modeled the increased air emissions along with the air emissions from the existing power plant to ensure the National Ambient Air Quality Standards will continue to be maintained in the Big Stone City area. The results of the model demonstrate the Big Stone City area would continue to meet all of the federal National Ambient Air Quality Standards for particulate matter and carbon monoxide.

The Prevention of Significant Deterioration permit program allows air emissions to increase up to an allowable increment in the Big Stone City area. The allowable increment maintains air emission levels below the National Ambient Air Standards but still allows growth in the area.

To ensure the project would not exceed the allowable increment, Otter Tail Power Company was required to model the increased particulate matter air emissions. Since the sulfur dioxide and nitrogen oxide emissions did not increase, an increment modeling analysis for sulfur dioxide and nitrogen oxide was not required. There is no increment level for volatile organic compounds and carbon monoxide. The following table represents the results of the modeling analysis and demonstrates the project would not consume all of the Prevention of Significant Deterioration increments allowed for in the Big Stone City area.

<b>Pollutant (Duration)</b>	<b>Allowable Increment <sup>1</sup></b>	<b>Modeling Results <sup>1</sup></b>	<b>Percentage of Increment Consumed</b>	<b>Percentage of Increment Remaining</b>
Dust (24-hour)	30	29.98	99.9%	0.1 %
Dust (Annual)	17	4.4	26%	74 %

<sup>1</sup> – Concentrations are measured in “micrograms per cubic meter”.

The Prevention of Significant Deterioration permit program allows air emissions to increase up to an allowable increment in Class I areas. There are two Class I areas in South Dakota; namely the federal Badlands National Park and Wind Cave National Park. Otter Tail Power Company’s project is greater than 300 kilometers from any Class I area. Therefore, no Class I area modeling analysis was required.

A review of this facility indicates it can construct and operate in compliance with South Dakota’s Air Pollution Control rules and the federal Clean Air Act. DENR, therefore, drafted a Prevention of Significant Deterioration permit with conditions to ensure compliance with SDCL 34A-1 and the federal Clean Air Act. Copies of the DENR’s draft permit DENR’s statement of basis and the Otter Tail Power Company’s applications are available on DENR’s website at <http://www.state.sd.us/denr/DES/AirQuality/aapubnot.htm>, and are available at the address below or at the following Regional Office: Department of Environment and Natural Resources (Watertown Office), 913 5<sup>th</sup> Street SE, Watertown, South Dakota 57201-5134. In addition, a copy of these documents may be obtained by contacting Kyrik Rombough, Natural Resources Engineering Director, at the address below or telephone at (605) 773-3151.

Any person desiring to comment on DENR’s draft permit must submit written comments to the address below. Comments must be received by DENR within 30 days of this public notice. Comments may be directed to the following mailing address:

Department of Environment and Natural Resources  
Division of Environmental Services  
523 East Capitol, Joe Foss Building  
Pierre, South Dakota 57501

DENR will consider and address all comments submitted throughout the public comment period established by the Notice of the original application published on April 19, 2006, and the public comment period established by this Notice and will issue a final permit decision within 30 days of the end of the public comment period. DENR will notify the applicant and each person who

submitted written comments or requested notice of DENR's final permit decision, including notification of any changes to the permit based on the comments.

Any person desiring to contest the issuance of this permit and have a contested case hearing must file a petition which complies with ARSD 74:09:01:01. This petition must be filed either within 30 days of this public notice or, if that person submits comments on DENR's draft permit pursuant to the paragraph above, within 30 days of receiving notice of DENR's final permit decision. DENR will schedule this matter for a contested case hearing before the Board of Minerals and Environment.



Steven M Pirner, Secretary

Department of Environment and Natural Resources